SASKATCHEWAN CENTRE OF THE ARTS

ANNUAL REPORT

2004-2005

Saskatchewan Centre of the Arts

www.saskcentreofthearts.com

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LETTER OF TRANSMITTAL

To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor
Province of Saskatchewan

May it Please Your Honour:

In accordance with Section 27(1) of the Saskatchewan Centre of the Arts Act, 2000 (Chapters S-10.1), I hereby submit the Thirty-Fifth Annual Report on the activities of the Centre for the period from April 1, 2004 to March 31, 2005.

Respectfully submitted.

Joanne Crofford

Honourable Joanne Crofford
Minister in Charge

LETTER FROM THE CHAIR

The Saskatchewan Centre of the Arts is pleased to submit the 2004-05 Annual Report. The Centre has had a very exciting year and has been very successful in contributing to the artistic, entertainment, educational and cultural diversity of communities in Saskatchewan in a fiscally responsible manner.

I am pleased to report that the wide variety of entertainment and convention/catering events saw approximately a quarter of a million patrons participate in one way or another at the Centre of the Arts this year.

The programming was certain to hit all age groups as our patrons enjoyed performances such as—The Regina Symphony Orchestra, National Ukrainian Dance Festival, Royal Winnipeg Ballet, Blue Rodeo, Les Ballets Jazz, Tommy Hunter —just to name a few.

In addition to the diverse entertainment schedule, the Centre was host to a wide variety of fund raising banquets, award dinners, conferences, meetings, etc., including Festival of Trees, The YWCA Women of Distinction Awards, Saskatchewan Centennial Committee, Sask. Judo, Regina Motorcycle Association, graduation banquets and ceremonies, major conferences, and many, many more special events and special memories.

On behalf of the Saskatchewan Centre of the Arts Board of Directors, I commend the Centre staff for their hard work and dedication.

In accordance with Section 27(1) of the Saskatchewan Centre of the Arts Act, 2000 (Chapter S-10.1), I hereby submit the Thirty-Fifth Annual report on the activities of the Centre for the period April 1, 2004 to March 31, 2005.

Sincerely,

J.P.Ellson, Chair

BOARD OF DIRECTORS

JOHN PAUL ELLSON—CHAIR
BRYAN LEIER—VICE-CHAIR

HONOURABLE JOANNE CROFFORD—
MINISTER IN CHARGE

HARVEY ABELLS—REGINA
MYKE AGECOUTAY—REGINA
GLAYNE AXTELL—REGINA
LLOYD BOUTILIER—REGINA
LORI GAY GALLAWAY—ESTEVAN
GRAHAM HALL—MOOSE JAW
BILL HUTCHINSON—REGINA
DON LIST—REGINA
LEAH MCDONALD—REGINA
PHYLLIS MEWS—REGINA
DAN WELSH—REGINA

Committees of the Board of Directors:

FINANCE COMMITTEE
Lloyd Boutilier
J.P. Ellson—Ex-Office
Bill Hutchinson
Bryan Leier
Dan Welsh
Don List
Jim McCrum—Staff Support
Pat Beanland—Staff Support

DONATIONS COMMITTEE
Don List
Glayne Axtel
Pat Beanland—Staff Support
Lynn Severt—Staff Support

PATRONS

Patrons
Council
Members

H.B. Bell Family
Doris and Charles Knight
Jacqui Shumiatcher and the late Dr. Morris Shumiatcher

Crown Life Insurance
Pepsi Bottling Group (Canada) Co.
SaskTel
Taylor Automotive Group

MANAGEMENT

Jim McCrum—Executive Director

Pat Beanland—Finance & Administration Manager
Brent Elsner—Sous Chef
Chad Guy—Theatre and Box Office Manager
Leo Pantel—Executive Chef
Colette Perras—Hospitality Services Manager
Jerry Senko—Operations Manager
Lynn Severt—Client Services Manager

Mission and Goals

MISSION

To enhance the quality of life for the people of Saskatchewan by providing exceptional facilities, programs and services for entertainment, educational and cultural activities in a cost effective manner.

GOALS

To provide quality facilities, programs and services for entertainment, educational and cultural activities.

To contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan.

To engage in entrepreneurial activities to promote the use of the Centre.

To develop a positive relationship with government, media, public and all related organizations and individuals.

To promote arts and educational activities for all ages, with special attention to the youth, to ensure continual audience development now and in the future.

To provide opportunity for staff development in building a high level of morale and productivity.

To operate in a fiscally responsible manner.

To solicit funds in order to further the objectives of the Centre.

EXECUTIVE DIRECTOR'S REPORT

The Saskatchewan Centre of the Arts continues to focus on providing facilities and services designed to enrich the quality of life in our community.

This year, many new relationships were developed with community and business organizations. These relationships assist the Centre in developing new ideas and create opportunities to enhance our services.

We are very pleased with the results of our on going efforts to provide a wide variety of theatre programming. This year's line up featured 86 productions including Broadway musicals, rock music, symphony, comedy, ballet, jazz, children's shows and country music.

In addition to the variety of entertainment events presented in our theatre, this year the Centre hosted over 600 catering and convention events including, dinners, receptions, meetings, weddings, trade shows, conventions, graduations and fund raising events.

We work hard to ensure that we offer an important service to our community in a cost effective manner.

Each year, a high priority is given to our budgeting and strategic planning process in order to identify the most financially efficient method of achieving our goals. We are privileged to have an extremely professional staff with a passion for the Centre and a deep commitment to our community.

The Board of Directors, the Government and the people of Saskatchewan are to be commended for the encouragement given to the management and staff of the Centre throughout the year.

We have had a terrific year and we excitedly anticipate taking part in the Saskatchewan Centennial celebrations in 2005.
I look forward to what is to come.

Respectfully submitted,

Jim McCrum,
Executive Director

WHO WE ARE

The Saskatchewan Centre of the Arts (SCA) is an Agent of the Crown responsible for providing facilities for entertainment, exhibition and the promotion and presentation of sporting, artistic, educational and cultural activities of a provincial, national or international nature. The Centre is further to provide catering and convention services. The Centre of the Arts achieves this through fair and cost-effective marketing..... delivered by employees experienced in many aspects of the hospitality industry.

As of March 31, 2005, the Saskatchewan Centre of the Arts employed approximately 259 staff, with 24 being full-time. Approximately 180 employees are members of the Retail, Wholesale, Department Store Union (RWDSU) and 55 employees are members of the International Association of Theatrical and Stage Employees (IATSE) local 295.

The Centre of the Arts operates under The Saskatchewan Centre of the Arts Act, 2000, and works in partnership with a broad range of stakeholders and clients, including: the RWDSU, IATSE, Tourism Regina, Tourism Saskatchewan and the Saskatchewan Liquor and Gaming Authority (Please see Appendix B for an overview of the Centre's stakeholders and partners).

The Saskatchewan Centre of the Arts is divided into four primary departments:

- Theatre: The Theatre department is responsible for the booking, marketing and delivery of theatrical shows hosted at The Centre of the Arts. This department is also responsible for the Box Office services of the Centre, and its outlets.
- Convention/Catering: The Convention, Catering department, Client Services is responsible for booking, marketing and delivery of conventions, meetings, banquets, tradeshows and special events hosted at the Centre. This department is also responsible for the public relations and community information.
- Operations Department: This department is responsible for the maintenance of the building as well as the day to day operation.
- The Corporate Services and Human Relations Department: This department provides financial, administrative, procurement, information systems and audit support services to the organization. This department also provides organizational development, communications and human resource services to the Centre.

OVERVIEW

The Saskatchewan Centre of the Arts provides facilities to over 1,500 clients ranging from local organizations and individuals to provincial, national and international clients.
The Centre of the Arts ensures that customer needs are met by offering wide and versatile convention and catering opportunities as well as providing flexible theatre services. The Catering and Convention department continues to place a greater emphasis on providing custom services and individualized menu options for clients.
The Catering and Convention department serviced 102,429 clients in 2004-05 at 605 events. Eighty four of these events were new events to the Centre. These events are broken down into the following categories: 5 were dances with total attendance of 1624. 245 were meetings, seminars or conferences with attendance of 218434. The Centre hosted 65 banquets with attendance of 12,914 guests. Breakfasts and luncheons totaled 88 with attendance of 8,839, 73 receptions were held with attendance of 16,494, trade shows numbered at 44 with attendance at 22,838, teas numbered 5 with attendance of 1690 guests. Weddings and anniversary parties numbered with 2,080 guests attending. Conventions numbered 15 with attendance of 8,936 and there were 52 smaller events that included 5,380 guests.

The Theatre department featured 86 performances in 2004-05 with attendance of 101,590 patrons. These events are broken down into the following categories: We hosted 1 popular show with attendance of 1,923, 5 country performances with attendance of 7,150, 5 folk/ethnic/ children's shows with attendance of 5,429. The Regina Symphony Orchestra presented 15 performances at the Centre with attendance of 22,238 guests. We hosted 2 gospel/religious events with attendance of 876. Eight performances were plays/auditions or rehearsals with attendance of 5,743. Jazz/band accounted for 2 performances with attendance of 40 guests. Rock shows accounted for 6 performances with attendance of 7271 guests, 15 were dance/ballet performances with attendance of 10,749, 12 were graduation or convocations with attendance of 22,500, 1 was a benefit concert with attendance of 1,058, 2 were opera/choral with attendance of 2,190, 4 were comedy/recitals with attendance of 5,004 and 2 were sporting events with attendance of 951.

The Centre of the Arts is proud to have hosted such a wide and versatile array of events and performances in 2004-05.

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ANNUAL REPORT

The 2000-01 provincial budget address announced that the Government would be implementing a new Accountability Framework over the next few years, "giving Saskatchewan people solid reference points by which to judge the performance of their government". The continuing improvements in The Saskatchewan Centre of the Arts' Annual Report are tied to the ongoing implementation of this broader initiative.

The Saskatchewan Centre of the Arts Annual Report serves two functions:

1. It reports accomplishments for 2004-05; and
2. It outlines The Saskatchewan Centre of the Arts' strategic direction for 2004-05 and beyond.

The Saskatchewan Centre of the Arts is committed to reporting progress on its plan, and to enhancing accountability to the public and to its stakeholders. The Saskatchewan Centre of the Arts' performance plan for 2004-05 and beyond includes a series of planned actions for 2004-05 and a set of performance measures which will be used to gauge progress. The Saskatchewan Centre of the Arts has provided information for 2004-05 for these measures and will report future results for these measures in future Annual Reports.

PERFORMANCE RESULTS

This section provides detailed information on the key initiatives, major outcomes and specific results for The Saskatchewan Centre of the Arts during the 2004-05 fiscal year with respect to our goals. Additional information about the Centre of the Arts strategic direction, including a complete review of its performance measures, key actions and objectives, is provided later in this report.

Goal 1: To provide quality facilities, and services for entertainment, educational, social and cultural activities.

Providing quality facilities and services is paramount to the Centre's success and therefore in 2004-05, The Saskatchewan Centre of the Arts defined a range of key actions and initiatives that support this focus on continually updating and maintaining our facility and improving our customer service.

Maintenance of Facility: The Saskatchewan Centre of the Arts continues to refine the maintenance plan to resolve any outstanding issues. We have initiated negotiations with Saskatchewan Property Management Corporation to complete an Asset Review Report which was completed in July 2004. The Centre's light board began giving us problems in the first quarter of 2004-05 and is becoming increasingly difficult to repair. The light board was repaired however plans to replace the board are being made. The floors in Shumiatcher and Doris Knight Hall were redone in the third quarter. SCA began a maintenance program for the Theatre fly system. This included systematically checking all line sets (chive, arbors, headblocks, footblocks, cabling and welds). Joint hoists for flying sound systems were installed in the third quarter. Power Factor Correction: SCA began monitoring the building's power consumption and demand load through electronic metering supplied from SaskPower. Ritenburg & Associates have been engaged to compile a history of the power requirements to establish a plan best suited for the Centre of the Arts. This project has been put on hold. The Centre of the Arts adopted a no smoking policy in the third quarter of 2004-05 for staff as well as clients. The Centre of the Arts met with Saskatchewan Property Management Corporation in the third and fourth quarters of 2004-05 to work on the re-negotiation of the building lease. The Centre completed the renovation of the kitchen drain trough and grating. This was a Health and Safety issue and was carefully orchestrated throughout a week of down-time for the catering department.

Technology: A detailed technology plan has been developed for the Centre of the Arts. Initiatives for fiscal year 2004-05 include: Analyze current ticketing software to new system—Repeat Seat, Continue to monitor the Centre's telephone systems to ensure maximum efficiencies and up-date the Centre's web site. The Centre's ability to provide video conferencing and increased internet access was also reviewed. The Centre made the decision to move to a

ticketing system provided by RepeatSeat in the second quarter of 2004-05. As a result of numerous performance issues the Centre of the Arts put RepeatSeat on notice and began investigating additional ticketing options, with particular attention paid to the unforeseen areas of concern we experienced with RepeatSeat. The Centre completed the first phase of the wiring for internet and phone lines in the third quarter. The Centre completed the first phase of the internet distribution system in the fourth quarter. The Centre also signed on the University of Regina as a client in the second quarter. The Centre's web redesign was completed and up and running in the second quarter. Patrons are now able to click on show related sights and have the opportunity to see the stage from a seat location of their choice. We continue to monitor the monthly tracking report on usage.

Client Services: The SCA reviewed the available client "extras" and implemented a program of thanks to our convention event planners. We have developed a "Survivors Kit" including items which may be required by an event planner on-site. We have received very positive response on these kits.

Customer Service/Knowledge Training: SCA continued to provide training programs and seminars including a staff team building day and publishing information on Centre standards and practices in the bi-monthly newsletter.

Goal 2: To contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan.

The Saskatchewan Centre of the Arts strives to develop additional ways to contribute to the entertainment, educational and cultural communities in Saskatchewan. SCA set objectives to continually improve on this critical component of SCA's direction.

Donations Policy: A donation's committee was struck in the second quarter of 2004-05 which consisted of members of the Board of Directors as well as staff members. This committee developed a donations policy to be followed by the Centre of the Arts.

Programming Plan: In order to support provincial non-profit organizations through sponsorship initiative The Centre developed a programming plan which contracts and presents events in collaboration with promoters, producers and sponsors. Some of the events the Centre co-promoted or sponsored in the fiscal year 2004-05 included: The SHEA Awards, The Most Incredible Bridal Show, India Canada, the YWCA Women of Distinction Awards, New Year's Eve Celebrations, Saskatchewan Express, Daughters of Penelope Fundraising Banquet with the Greek Community, Regina Jazz Society, the Golf Expo, Festival of Trees, CIBC Run for the Cure, Chili for Children and the Saskatchewan Sports Hall of Fame.
The Saskatchewan Centre of the Arts was pleased to donate all of the old theatre curtains to outside organizations including The Performing Arts Centre, Sask. Youth Ballet Company and

the towns of Sedley and Francis. The Centre continued to provide educational tours throughout 2004-05, as well as providing information about the Centre of the Arts on our web site. The Centre distributed our event schedule throughout Saskatchewan through the Leader Post through our web site and through direct mail. In the second quarter of 2004-05 we designed a html based notification page that is designed in the same style as our homepage to include in our mass email notifications of upcoming events.

Youth: The Centre's goal of working with schools and associated educational organizations to create opportunities for youth to perform or attend arts and educational events at the Centre was a priority in 2004-05; included working with Week in Wascana with the Wascana Partners Group in providing a week long camp where children from ages 7 to 12 attended sessions at the Centre. Each day these sessions included an introduction to theatrical make-up, tours and demonstrations of the stage areas, and preparing and cooking their own snacks with one of the Centre's chefs. We also continued to work with promoters to offer tickets to the youth groups in our community, when available, for any given performance. The Centre of the Arts also continued to work with agencies such as The Regina Police Service and Chili for Children to create opportunities for youth to perform or attend arts and educational events at the Centre. The Centre was pleased to invite a group of children from Chili for Children to attend CATS at the Centre in July.

Entertainment/Promotion: The Centre continues to strive to present a wide variety of entertainment programming. The Centre chose to promote our own New Year's Eve party for 2004-05. The Centre contracted three bands. Although the event was financially unsuccessful it did attract a good number of youth to the Centre. The Centre will re-evaluate this event for future.

Centennial Concert Tour: To further contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan the Centre became involved in the production of the 2005 Centennial Concert Tour in the fourth quarter. This event, funded by Casino Regina and produced by the Centre of the Arts, consists of a tour taking place in 4 communities in celebrating the Centennial year.

New Relationships: We developed a relationship with a promoter of cabarets and therefore expanded the number of cabarets held at the Centre in 2004-05. Working with this local promoter allows us to assist him in developing a stronger live music marketplace as well as allowing the Centre to be more involved with varied genres of music and be able to present a number of cabarets throughout the year, while limiting our direct financial risk.

Goal 3: To engage in entrepreneurial activities to promote the use of the Centre.

The Centre continues to work with various groups to present as many activities at the Centre as possible. In 2004-05 our objective was to work with at least 6 new organizations.

New Events: New events in 2004-05 included: Schrader Motors, Gilroy Homes, Regina Police

1/2 Marathon, Unum Provident, Urban First Nations, Saskatchewan Risk Management, Prairie Peacemakers, Cream of the Crop, Queen City Marathon, Best Buy, Saskatchewan Learning—Aboriginal Unit, Neil Balkwell—City of Regina, Honda Canada, Saskatchewan College of Pharmacists and many more.

Other Opportunities: The Centre began aggressively pursuing the Wedding business in 2004-05 and in the first two quarters we hosted 13 weddings at the Centre. The Centre also began pursuing additional departments within large organizations who are Centre clients. This was very successful, and new departments within client organizations included: Sasktel, Saskatchewan Learning and the Regina Qu'Appelle Health District. We continue to review the clients we have had over the past five years, with a special focus on those who no longer held their events at the Centre. We will continue to contact them to ensure they are aware of our facilities and services.
The Centre also developed a marketing plan focused on increasing ticket sales and convention sales through marketing activities targeted towards corporate sales, special population segment sales, group sales and accessing the youth market demographic. This marketing plan included cold calls, room rental specials, Christmas special during the week, as well as reviewing catering packages each quarter to ensure we remain competitive.

Goal 4: To develop a positive relationship with government, media, public and all related organizations and individuals.

A key part of the Sask. Centre of the Arts role focuses on developing positive relationships with the community. Key activities included:

Community Participation: Centre staff representatives took a more active role in various Regina and Saskatchewan organizations and groups in 2004-05 fiscal year. Representation included membership in Tourism Regina, Saskatchewan Tourism Education Council, India Canada Association, Regina Women's Network, Saskatchewan Recording Industry Association, Society of Canadian Authors, Composers and Publishers, RREDA—Film, Television, Interactive, Media Cluster, Canadian Club, Executive Club, Saskatchewan Arts Stabilization Board, Canadian Culinary Federation, University of Regina Alumni, CARAS—Canadian Academy of Recording Arts and Sciences, International Special Events Society, Chamber of Commerce, Western Canadian Music Alliance and others. The Centre worked with the Huron Carole Benefit Series to videotape their annual nationally televised program at the Centre in 2004-05.

Community Profile: A major part of our publicity and promotions plan was designed to enhance the Centre's profile in the community. This has received a huge boost in public/corporate image due to our involvement with Chili for Children and the fight against hunger. Measurement of response includes developing liaison with many businesses and organizations including: Farm Credit Canada, Casino Regina, Saskatchewan Sports Hall of Fame, The Regina Inn, Regina City

Police, Group Medical Services, Costco Wholesale, Conexus Credit Union, Clairica and many others. These relationships have already proved invaluable in fighting hunger as well as The Centre of the Arts becoming the venue of choice for many of these businesses. We also continue to be involved in such community events as Taste of Spring, The Most Incredible Bridal Show and other events deemed feasible.

Key Stakeholder Relationships: In order to best provide measurable results in developing positive relationships the key stakeholders must be segregated:

The Government: The Saskatchewan Centre of the Arts plays a key role serving as the voice of the public to the Government, municipal and provincial. In that role, the needs, concerns and issues, as well as the accomplishments must be conveyed to the various departments. We also act on behalf of the government to ensure that we become better advocates of the arts through our relationships with elected officials and staff of government.

The Media: We continue to develop our media relationships.

The Public: We continue to provide feedback information forms to our clients, record customer comments as a standard part of our Duty Manager's Reports and upgrade how we educate the public on how to choose, buy or use our products and services through the internet, email, newspaper, direct mail, marketing and public relations events. We also attempted to raise public awareness and credibility of the Centre of the Arts through greater public visibility. To measure the success of this goal we performed a communications audit including surveys—via telephone, personal interviews and written questionnaires. Comment cards for individual events as well as focus groups for defined key audiences were also completed. Beginning in the first quarter of 2004-05, duty manager reports were reviewed at weekly management meetings. Client Services continues to follow up with clients in person or by telephone following events. Ongoing consultation with promoters and other similar venues in the country ensures that we remain competitive in our pricing, and our mission to maintain the highest possible level of service to our clients, thereby ensuring customer satisfaction and repeat business. Tracking customer comments allows us to meet our objective of ensuring that client questionnaire responses are 90% or better.

Mark in the Community: As we strive to draw more attention to the facility as a whole we continued to offer various random draws from our web site as well as special deals for the members of our on-line community.

Goal 5: To promote arts and educational activities for all ages, with special attention to the youth to ensure continual audience development now and in the future.

Continually improving our programming to include youth and seniors, two age groups we deemed missing from our client base, we developed programs to address this issue.
Subsidy Program: We continued in 2004-05 to provide tickets, when available, for theatre performances through the Regina and District Food Bank as well as Chili for Children to inner city children. We also worked with the Regina Inner City Youth Program, and Regina City Police to

provide assistance when available.
Youth: SCA once again participated in Week in Wascana youth program.
Seniors: The Centre of the Arts presented our annual New Year's Eve Senior's Brunch hosted by Her Honour, The Lieutenant Governor of Saskatchewan. This event is designed as a public service—an inexpensive way for seniors to enjoy the entertainment and catering at the Centre of the Arts.

Goal 6: To provide opportunity for staff development for building a high level of morale and productivity.

Employees are the key resource of the Saskatchewan Centre of the Arts. As of March 31, 2005, SCA employed approximately 259 staff. As a provider of service, SCA's staff are critical to ensuring the organization's success in meeting customer's needs and being successful as a business in a competitive marketplace.

The Saskatchewan Centre of the Arts is committed to providing a positive, healthy and safe workplace for its employees. The Centre of the Arts has also identified "developing the overall capacity of its employees" as a key strategic objective for the organization. A number of initiatives have been developed which are designed to develop employee's skills and ensure the organization has the capacity to meet strategic outcomes, including enhancing customer service and overall productivity. Developing leadership skills also helps ensure the Centre can address longer-term human resource challenges, i.e. retention, career planning and succession planning. Key achievements in staff development, morale and productivity include:

Partnership with RWDSU and IATSE: SCA management continues to build upon the foundation of the strong working partnership it has developed with The Retail Workers Department Store Union (RWDSU) and the International Association of Theatrical and Stage Employees (IATSE).
Leadership Training: Centre staff continue to attend training and leadership development in their various fields of expertise. In 2004-05 many management and staff attended various courses ranging from human resources to service excellence.
Succession Planning: The Centre has initiated meetings with the Catering department to discuss succession planning. The Catering department is one of the main areas of concern for future staffing. Barriers include the inability to offer any guarantee of hours and low wages with no opportunity for tips. A Hospitality Services Manager was hired to provide training as well as providing hands-on management.
Pay Equity Plan: The Centre of the Arts began a Pay Equity Study in cooperation with RWDSU and IATSE in the second quarter of 2004-05. The study focuses on creating equity within the workplace.
Privacy Policy: The Centre began working on a Privacy Policy in the second quarter of 2004-05. The Privacy Policy has been completed and is now posted on our web site and at our box office.

Goal 7: To operate in a fiscally responsible manner.

This goal reflects the Centre of the Arts' commitment to sound financial management and overall financial accountability. An important part of achieving this goal lies in aligning SCA's strategic goals with its financial planning and budgeting processes.

Review on Current Status: The Centre has begun a review of our current status as well as our future direction.

Goal 8: To solicit funds in order to further the objectives of the Centre.

Due to increasing costs the Centre is required to activity solicit funds in order to meet the goals and objectives of the Centre.

Corporate Sponsorship Campaign: The Bells and Knights have now completed their financial commitment to the Centre and indicated in the fourth quarter that they do not wish to renew their patrons involvement at the same level.
The Centre is now actively pursuing corporations and individuals in an attempt to attract new patron members. Fundraising is extremely difficult at this time but we are confident that some success will be achieved in the next fiscal year.

SERVING COMMUNITIES

Theatre Statistics

Totals—Events—Attendance

86 101590

Convention Statistics

Totals-Events-Attendance

605 102429

SERVING COMMUNITIES

The Shirley Bell Theatre once again played host to a wide variety of events in 2004-2005.

APRIL 2004

Roger Whittaker

Leahy

Bob Newhart

The Pixies

Regina Symphony Orchestra—Carnival Fantastique

Lord of the Dance

Royal Winnipeg Ballet—The Magic Flute

MAY 2004

Regina Symphony Orchestra—Brave New Worlds

Regina Symphony Orchestra—Bending the Bows

Ken Goff Memorial Boxing

Diana Krall
2 Performances

Saskatchewan Express Recital

Merle Haggard

O'Neill High School Concert

Youth Ballet Recital (2 Shows)

SERVING COMMUNITIES

June 2004

Dance Plus Recital
2 Performances

A Night of Improv

Danskapades '04—Martin School of Dance
2 Performances

Kiwanis Club—Prairie Spirit Band

July 2004

CATS
3 Performances

Stompin Tom

August 2004

National Youth Orchestra

September 2004

Seniors Fun Day

Regina Symphony Orchestra—Give me my Romeo

October 2004

Regina Symphony Orchestra—Rule Brittania

Rory Allen
2 Performances

SERVING COMMUNITIES

October Continued

Alice Cooper

Robert Munsch

Regina Symphony Orchestra—The Mask of Zorro

RENT
3 Performances

New Dance Horizon

November 2004

Regina Symphony Orchestra

Paul Brandt

Ron James

Regina Symphony Orchestra—The Russians are Coming

Rita McNeil

Megadeth

December 2004

Huron Carole

John McDermott

Regina Symphony Orchestra—Ho! Ho! Ho! With the RSO

Regina Catholic School Christmas Concert

New Year's Eve Gala Cabaret

SERVING COMMUNITIES

JANUARY 2005

Regina Symphony Orchestra—I Want to Hold your Hand

Regina Symphony Orchestra –Latin Quarter

RAIN—The Beatles Tribute

Red Cross—Tsunami Benefit Concert

Tommy Hunter

FEBRUARY 2005

Les Ballets Jazz

Regina Symphony Orchestra—Mid Winter Serenade

Ukrainian Canadian Congress

Regina Symphony Orchestra—Theresa Sokyrka

MARCH 2005

Opera Saskatchewan—Michael Burgess & Friends

New Dance Horizons—Ruth Cansfield

Optimist Band Festival

Regina Symphony Orchestra—Romantic Encounters

Regina Symphony Orchestra—Kalan Porter

Regina Symphony Orchestra—Oscars

MANAGING

RISK

Risk Management is key to protecting business interests and future viability. The Saskatchewan Centre of the Arts is exposed to many different risks in its dual role as a self-financing Theatre and Convention, Catering Business and a representative for the Provincial Government in their commitment to Culture.

The first concern of the Board of Directors and senior management is strategic risk. Failure to properly execute strategy to meet the needs of our clients and the mandate set by the government can dramatically impact the corporation's business. Without an appropriate overall business strategy, the Centre's other interests could be compromised as well.

Therefore, the Centre has identified major risks and potential barriers to success and developed strategies to ensure that these risks and barriers can be addressed by timely identification, assessment and prioritization of risks. We continue to review the management practices at The Saskatchewan Centre of the Arts and to identify gaps in current risk management practices.

LISTEN TO WHAT OUR PATRONS ARE SAYING

"An awesome experience—I will gladly recommend you for other conventions." *Southeast Sask. Teachers Association, Roberta James (Feb. 14, 15, 2005)*

" We received positive feedback/overall very good/ Impressive/ provided function info to another department." *Sask. Environment, Sylvia Fairport (January 20, 2005)*

"Most guests really enjoyed the location and staff in your Centre. Employees did an excellent job of accommodating our needs. They went the extra mile for us." *Ben Hernando, Phillipine Assoc. of Sask.*

"The food was excellent, service great—the staff helped out with our music. If not for them, we would not have had a dance. Thank you for making our night a great success." *Regina Motor Products, Sandra Geunther, (November 27, 2004)*

"Staff was terrific to work with. Our Orchestra families very much appreciated the warm hospitality and excellent service from the Centre staff. " South. Sask. Youth Orchestra, Laura Friesen

"The staff was incredible, each and everyone of our requests was met quickly and efficiently." Sask. Federation of Labour, Don Anderson (October 25-30, 2004)

"Very pleasant staff. " Taylor Motors, Dawn Radom (December 18, 2004)

"Excellent room and facility to hold an event plus lots of free parking." Big Brothers Assoc. Randy Dirvich (Sept. 23, 2004)

LISTEN TO WHAT OUR PATRONS ARE SAYING

"Our consultant commented that this was the best facility they have every given this training week at. The service was excellent. The three hostesses were also excellent. The ladies were very helpful, very efficient, very accommodating and truly added to the overall enjoyable experience." City of Regina, Karen Gasino (Sept. 20-24)

"The Centre of the Arts is a very relaxing and elegant venue to hold a reception. Best of all, the staff treated us with such respect and took such good care of every detail for us. The parking is good too! We were thoroughly pleased with every aspect of our anniversary celebration from the first contact made through to the cleanup." Sheila Baron, (July 31, 2004)

"There isn't a better place to host an event in Regina. A wonderful location and truly exceptional staff." X-L Enterprises, Darci and Darren Lang (Bridal Show, October 2004)

"Absolutely consistent. High customer service—this is why we keep coming back. Staff is always prompt and seeks ways to find solutions for any situations". Regina Health Region, Anda Dima, (April 8, 2004)

"Excellent Staff who attended at our house. Very great and helpful." J. Shumiatcher, (September 2004)

"All the staff were very helpful and accommodating. It made the experience a pleasant one." Sask. Sports Hall of Fame, Sheila Kelly (June 2004)

"All staff were very accommodating and if they didn't know the answer they were more than willing to find someone who could help." *Carla Mack Hospitals of Regina, (Sept, 8, 2004)*

"Excellent service as always. Very accommodating. They setup crew are always so helpful." *Regina Business and Professional Women, Linda Huynink, (November 2004)*

Overview for 2005-06 and Beyond

As part of The Saskatchewan Centre of the Arts' commitment to implementing the Government of Saskatchewan's Accountability Framework, SCA's 2004-05 Annual Report outlines our achievements for 2004-05 and also provides an assessment of the challenges and priorities ahead and how The Saskatchewan Centre of the Arts plans to address them. This section of the Annual Report provides an overview of The Centre of the Arts' 2004-05 Corporate Balanced Statement which identifies the key outcomes that the Centre of the Arts is working to achieve and how these outcomes will help The Saskatchewan Centre of the Arts meet its vision. The Balanced Statement is the result of an intensive planning effort and is a multi-year plan. The plan will continue to evolve over time and will continue to be reported in The Centre of the Arts Annual Reports.

CORPORATE BALANCED STATEMENT AT A GLANCE

Below is a summary of The Saskatchewan Centre of the Arts 2004-05 Balanced Scorecard, including its vision, mission, guiding principles and key goals. Our goals articulate the key outcomes that the Saskatchewan Centre of the Arts seeks to achieve in advancing its vision. The section below provides a detailed overview of our objectives, key actions and performance measures.

The Saskatchewan Centre of the Arts Vision:

The vision describes the ideal state to which the organization strives:

- Customer Service Excellence
- Progressive business operations and fiscal responsibility
- Support of Cultural Organizations

Guiding Principals:

Integrity: We will be honest, fair and trustworthy in our activities and relationships.
Social Responsibility: We will conduct our operations in a manner that balances revenue and social responsibility
Fiscal Responsibility: We will conduct our operations in a fiscally responsible way.
Accountability: We will be accountable to the Saskatchewan people for our actions, decisions and performance.
Open Communication: We will communicate and consult internally and externally in an open, direct and respectful manner.
Mutual Respect: We will be respectful in our interactions, based on fairness, equity and openness, and
Diversity: We will value people and their differences.

SCA's Goals:

Goal 1: To provide quality facilities, programs and services for entertainment, educational and cultural activities. Meet the expectations of customers by providing a quality facility and providing exceptional customer service by courteous, knowledgeable staff.

Goal 2: To contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan. That the Centre of the Arts operate as "The Town Hall" being accessible and affordable with a focus on local, non-profit organizations.

Goal 3: To engage in entrepreneurial activities to promote the use of the Centre. Continually improve our business through entrepreneurial activities promoting the use of the Centre.

Goal 4: To develop a positive relationship with government, media, public and all related organizations and individuals. Develop a positive relationship based on integrity and industry knowledge.

Goal 5: To promote arts and educational activities for all ages, with special attention to the youth to ensure continual audience development now and in the future. Meet the expectations of our customers by providing a variety of arts and educational activities for all ages.

Goal 6: To provide opportunity for staff development for building a high level of morale and productivity. Provide a positive and healthy environment for our employees which values diversity and encourages continuous learning and mutual respect.

Goal 7: To operate in a fiscally responsible manner. Be fiscally responsible and accountable in support of provincial financial objectives.

Goal 8: To solicit funds in order to further the objectives of the Centre. To solicit funds to proceed with capital programming costs.

WHERE WE ARE HEADED, WHAT WE INTEND TO DO AND HOW WE WILL MEASURE PROGRESS

The following section of SCA's Balanced Statement is intended to provide more detailed information about The Saskatchewan Centre of the Arts' plan for the future and what the Centre of the Arts will do to achieve its strategic direction. The section describes in greater detail what the Centre of the Arts' objectives are, why they are important, and what the organization intends to do to achieve them by specifying a number of key initiatives. This section also provides information that will help us to determine whether or not we have been successful in meeting the objectives defined by our Plan. In order to do this The Centre of the Arts has presented a number of performance measures that provide information about specific outcomes identified in the Balanced Statement.

In 2005-06, The Saskatchewan Centre of the Arts will continue to refine its strategic direction and report on results. The success of The Centre of the Arts' plan depends on the support and skill of its employees, in addition to the support of stakeholders, partners and the public.

Goal #1 To provide quality facilities, and services for entertainment, educational, social and cultural activities.

Initiatives:

- To monitor operations including maintenance, security, engineering, utilities and cleaners and follow outlined procedures for effective management and supervisory procedures for the operations of each area.
- Annually review, in conjunction with the Department of Property Management, the Centre's preventative maintenance and on-going maintenance program. This plan should clearly outline areas of responsibility and related costs.
- Continue to refine the maintenance plan.
- Renegotiate building lease with Department of Property Management (formerly SPMC).
- Review the safety and security systems in the building in conjunction with the OH&S Committee.
- Upon completion of Lease negotiations, develop long range renovation plan with Dept. of Property Management to ensure the Centre is able to access sufficient funds to address physical and code deficiencies that exist within the Centre.
- Review and revise long range capital plan to ensure costs are accurately allocated in the budget planning process.
- Continue with the Theatre fly system maintenance program. This will include systematically checking all line sets – chives arbors, headblocks, footblocks, cabling and welds.
- Continue to explore the possibility of exterior tower lights and audio.
- Secure additional funding through Dept. of Property Management for upgrading pavement.
- Refurbish Green Room.
- Continue stage drape replacement program – cyc, scrim.
- Develop and implement a plan to ensure that the Center maintains quality service in the area of technology, i.e.: high speed internet, on line ticketing, web site and video conferencing.
- Purchase an upgrade control system for theatre lighting.
- Purchase additional Theatre lighting fixtures (12)
- Purchase new round tables (30)
- Promote the guest excellence philosophy of the Centre through internal communications and training programs and seminars.
    - SCA will issue the staff newsletter every two months.
    - SCA has re-developed our employee recognition program. The new program is called "The Spotlight is on You."
    - Work with senior leads to up-date the Catering, Bar and Front of House Training Manuals to ensure they meet the needs of the individual departments, and work with them to ensure the Centre's staff continue to provide first class service.
    - Host an SCA Team Building Day. The Centre will look into offering this program to all part-time staff. In past it has been restricted to Permanent and Leads.
    - Continue to certify SCA staff in First Aid as required.
    - Hold bi-annual staff meetings to develop and maintain consistency in terms of technique, expectations and services provided.
- Continually evaluate the services provided to ensure the Centre is meeting and exceeding client expectations.
- Monitor client questionnaire responses to ensure that the Centre is achieving an overall 90% or better, good to excellent rating by clients The plan to increase the number of client responses and to more accurately tabulate these results

is reviewed weekly at Management meetings and reported quarterly to the Board.

- Wherever possible the questionnaires will be emailed to the Client within two days of the event in order to allow greater feedback from our clients.

- The Technology Committee will continue to monitor the SCA technology systems. Initiatives for this current fiscal year include:
  - CBO System – Determine direction.
  - Move the SCA Servers.
  - Continue to up-grade the Centre's website, building upon strong client responses to email notifications and online show announcements.
  - Replace SCA's front office photocopier.
  - Continue with the Centre's computer replacement program.

Goal #2 To contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan.

Initiatives:

- To review and update our donations policy
- We support provincial non-profit organizations through sponsorship initiatives.
- Provide Educational Tours
- To use our website to provide information about the Centre, and expand it to include community events and information.
- Distribute our events schedule throughout Saskatchewan through the Leader Post and direct mail.
- Work with schools and associated educational organizations to create opportunities for youth to perform or attend arts and educational events at the Centre.
- Client services will provide information on all public events to be included in our web site.
- In order to meet our community profile requirements, each Client Services representative will become involved in a minimum of one community organization.
- We will participate in a minimum of one additional trade show in 2005/06.

Goal #3 To engage in entrepreneurial activities to promote the use of the Centre.

Initiatives:

- Encourage organizations to use the Centre.
- To actively pursue promoters to continue making the SCA their preferred choice for facilities in Regina.
- Results of sales plan to facilitate opportunity for business to be reviewed weekly at Management Meetings and reported quarterly to Board.
- Report quarterly to the Board the results of the programming plan which contracts and presents events in collaboration with promoters, producers and sponsors.
- Annually up-date the marketing plan. Continue to increase ticket sales and convention sales through marketing activities focusing on corporate sales, special population segment sales, group sales, accessing the youth market demographic. Report quarterly to the Board.
- Revamp the Annual Report to focus on the critical aspects of performance and to ensure that the information is presented in a manner that is understandable to all interested entities.
- Encourage Management and Staff to be involved in the community, through involvement in community organizations. The SCA management will be required to be involved in at least one outside community organization.
- Work with members of the Wine & Spirits Association to develop a wine show.
- We will target a minimum of 5 events held elsewhere to solicit the use of our facility for their event.
- We will direct market to all members of the Regina Chamber of Commerce a minimum of twice in 2005/06.
- We will develop a minimum of two new promotional items and distribute these with the target being increasing revenue during our slow times.
- We will develop a book of Saskatchewan (Regina area) events which are currently held at other facilities and use this to target potential clients.
- In response to the new Exhibition Park facility we will work with the larger conventions to determine the best ways to continue to host their events at the Centre.

is reviewed weekly at Management meetings and reported quarterly to the Board.

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- In response to the new Exhibition Park facility we will work with the larger conventions to determine the best

Goal #4 To develop a positive relationship with government, media, public and all related organizations and individuals.

Initiatives:

- Interact with potential user groups.
- Review and improve direct communications with the community and government.
- Articulate the intention of the Centre of the Arts to be prominent in and accessible to the community.
- Assess the needs of the community and respond by facilitating programming.
- Annually review and up-date the publicity and promotions plan designed to enhance the Centre's profile in the community and ensure that a consistently high awareness level is maintained with the public. Report quarterly to the Board.
- Develop contacts with potential media partners in other markets to assist in expanding our market reach.
- Develop a closer liaison with the user groups through creating and facilitating opportunities for usage.
- Client services will attend a minimum of 2 events at other Regina facilities to compare location, décor, food quality and service.

Goal #5 To promote arts and educational activities for all ages, with special attention to the youth to ensure continual audience development now and in the future.

Initiatives:

- Develop sponsorship with local business to provide a subsidy program to ensure under-privileged youth have access to Centre events.
- Ensure programming plan includes family and youth events, while being fiscally responsible and minimizing our risk.
- Work with schools and associated educational organizations to create opportunities for youth to perform or attend arts and educational events at the Centre.
- We will research the School Plus Program and determine how the Centre of the Arts can best enhance and participate with Saskatchewan Learning in presenting this initiative.
- To continue to offer facility tours and dress rehearsal access, wherever possible, to school groups and organizations.

Goal #6 To provide opportunity for staff development for building a high level of morale and productivity.

Initiatives:

- Provide for a continuous flow of ideas and communications among Board, Management and Staff.
- Schedule and hold regular management meetings.
- Define and assign responsibilities and parameters for each department within the Centre.
- Formulate organizational structure.
- Develop and implement task analysis and job descriptions.
    - Up-date all Job Descriptions once Equity Study has been completed.
- Develop and implement results of a Joint Job Evaluation program.
- Develop a personnel policy and an employee handbook.
    - Maintain the Personnel Policy Manual.
- Develop and implement an employee evaluation system.
- Develop and implement incentives and reward systems.
- Promote the "Spotlight is on You" Program.
- Develop and implement a professional/staff development program.
    - Maintain relationship with staff that allows and promotes discussion regarding the development of staff as well as the services they provide.
- Develop and implement a training program for staff.
- Encourage a social committee for staff. SCA encourages staff activities by subsidizing a portion of the costs of employee events when attendance is more than 25% of the social club membership.
- Staff Newsletter – Produce every second month.

- SCA to attend Career Fairs to encourage youth to consider the SCA as a place of employment. Goal to attend minimum of 2 career fairs.
- Review SCA Benefits Package.
- Review Xmas and Grad Sweepstakes initiatives and consider alternate programs to encourage staff to accept SCA shifts.
- Complete negotiations with both RWDSU & IATSE. Both contracts have expired and both unions are waiting to see the results of the pay equity study.
- Continue to address succession planning.
- Continue First Air Certification program to ensure all security staff and Duty Manager's have current certification.
- Host a Pension Seminar for SCA employees.
- Work with members of the Wine & Spirits Assoc. to promote product knowledge with our staff regarding beverages served at the Centre.

Goal #7 To operate in a fiscally responsible manner.

- Ensure stringent fiscal controls through competent administration and finance committee review procedures.
    - Review expense report formats.
- Improve accountability by developing a decentralized budget with cost centers allocated and administered by department managers.
    - Separate catering labour costs to ensure better control of kitchen staff and serving staff labour costs.
- Centre management to evaluate and approve each and every expenditure to ensure the best value is being received for money spent. Ensure proper tendering practices are followed where applicable.
- Budget for long term equipment needs of the Centre in order to provide quality services to clients.
    - Review and prepare five year capital plan.
- Review and analyze operations in the food and beverage departments with the objective of decreasing our cost of sales and improving our deployment of manpower.
    - Closely monitor product costs and percentage margins to ensure costs are maintained.
- Develop staff scheduling plan in order to reduce overtime cost.
- Review the strategic planning procedure.
- Schedule and hold regular Board of Directors meetings.
- Complete SCA Operational Review and submit to government with request for additional funding.
- Client Services will review the pricing policies of other facilities and present them bi-annually to the management team.
- Client Services will offer the use of our large vases in order to cut down the increasing costs of candles and offer a value added item to the client.
- To continue to find a balance between fulfilling our programming plan and maintaining fiscal responsibility, while attempting to compete with other facilites (Casino Regina, Exhibition Park) for the relatively small number of shows that we can access in our market.

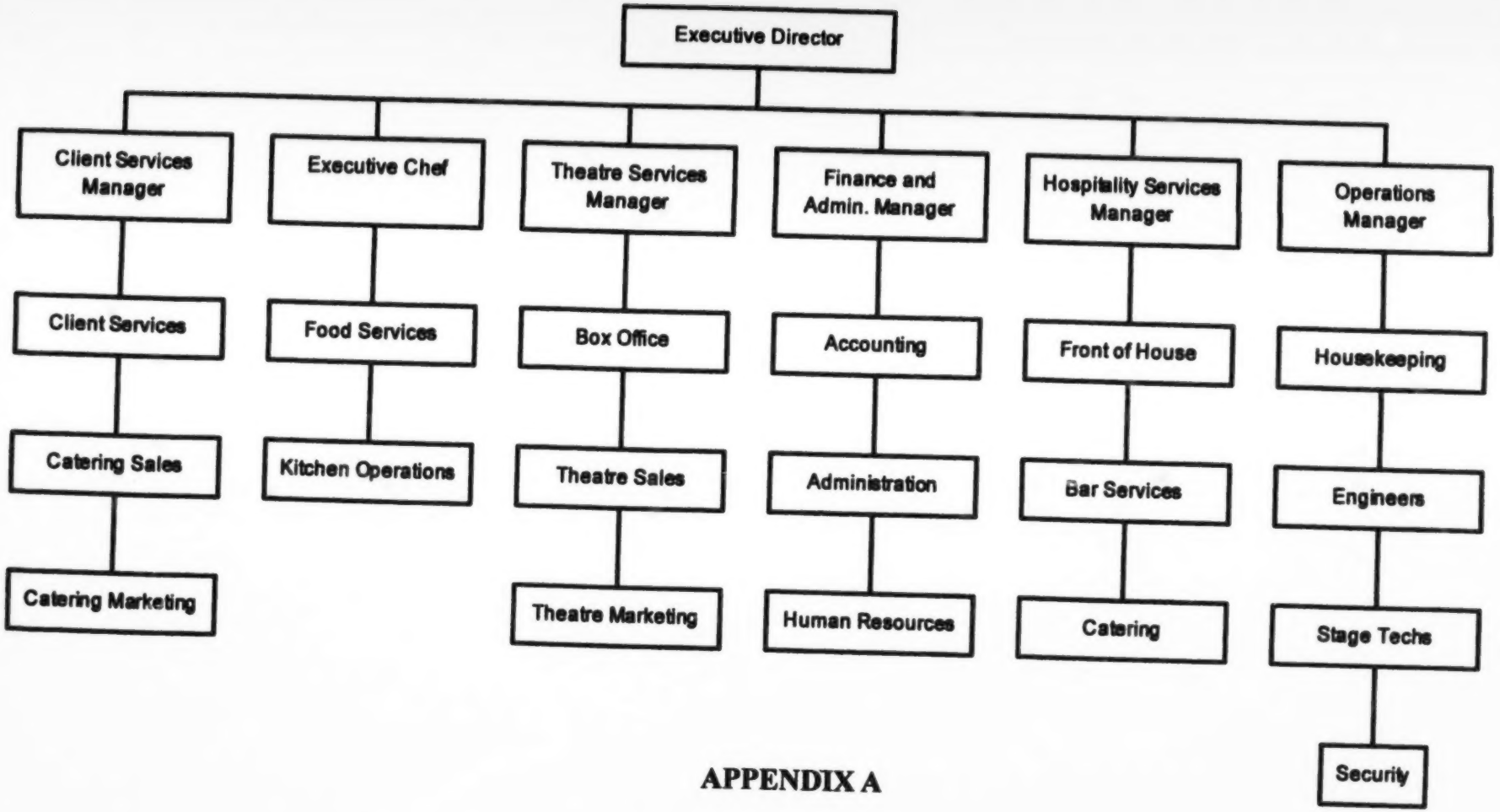
Goal #8 To solicit funds in order to further the objectives of the Centre.

- Develop and implement a corporate sponsorship campaign.
- Develop and implement a capital fund campaign
- Establish an agreement of responsibility with Dept. of Property Management for the SCA's structure to ensure that adequate funds are available to maintain and improve the facility.
- Actively solicit new sponsorship opportunities – including funding for outside signage.
- Research options for a Seat Replacement Campaign.
- The Centre will work to fill at least two more of the Arts Board spaces.
- Solicit sponsorship for the SCA's two major spaced (Theatre & Knight Hall). Rename both areas prior to the start of the fall season.

WHERE TO OBTAIN ADDITIONAL INFORMATION

If you have any questions or comments about The Saskatchewan Centre of the Arts Balanced Statement, or if you have specific questions about the programs and services provided by The Saskatchewan Centre of the Arts please contact:

The Saskatchewan Centre of the Arts
200A Lakeshore Drive
Regina, Saskatchewan
S4S 7L3
www.centreofthearts.com
Email:
sca.admin@saskcentreofthearts.com or
client.services@saskcentreofthearts.com
Phone: (306) 565-4500
Fax: (306) 565-3274



APPENDIX A

SCA Organizational Chart

APPENDIX B
Summary of SCA's Partners and Stakeholders

Non-Profit Clubs and Organizations: This group consists of ethnic associations, service clubs, sporting clubs, dance schools and others.

International Association of Theatrical And Stage Employees (IATSE): All theatrical aspects of the Centre are done through members of this union.

Retail Workers Department Store Union (RWDSU): The majority of employees at the Centre of the Arts are members of this union.

Saskatchewan Property Management Corporation (SPMC): SPMC is the owner and a key stakeholder of The Centre of the Arts

Canadian Restaurant and Foodservices Association (CRFA) (Saskatchewan Division)
The CRFA has approximately 600 members in Saskatchewan.

Tourism Saskatchewan
Tourism Saskatchewan promotes tourism throughout Saskatchewan

Saskatchewan Tourism Education Council
Saskatchewan Tourism Education Council (STEC) provides training and certification for the tourism and hospitality industry.

Tourism Regina
Tourism Regina promotes tourism and conferences in Regina

Canadian Federation of Chefs and Cooks
National organization governing Chefs and Cooks

Society of Composers, Authors and Music Publishers of Canada
Society of Composers, Authors and Music Publishers of Canada (SOCAN) ensures copyright laws are adhered to.

The Saskatchewan Centre of the Arts
Management Report—March 2005

The Saskatchewan Centre of the Arts—Management Report—March 2005.

The management of the Saskatchewan Centre of the Arts is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The accounting systems used by the Centre include an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized.
- The Centre's assets are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other information.
- The accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information;
- The Centre has complied with authorities.
- And that the Centre operate in a fiscally responsible manner.

Management is responsible for providing reasonable assurance to the Board that the Board's financial information satisfies standards of validity and reliability. The Board reviews financial information prepared by management and discusses relevant matters with management.

The Provincial Auditor of Saskatchewan examines the Centre's system of internal control, compliance with authorities, and financial statements. A copy of the Provincial Auditor's opinions on internal control, compliance with authorities and financial statements are enclosed.

The financial statements have been examined and approved by the Board.

Jim McCrum
Executive Director
June 2005

Pat Beanland
Manager, Finance and Administration

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited Saskatchewan Centre of the Arts' (Centre) control as of March 31, 2005 to express an opinion as to the effectiveness of its control related to the following objectives.

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

I used the control framework developed by The Canadian Institute of Chartered Accountants (CICA) to make my judgements about the effectiveness of the Centre's control. I did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

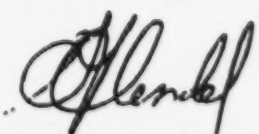
The CICA defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

The Centre's management is responsible for effective control related to the objectives described above. My responsibility is to express an opinion on the effectiveness of control based on my audit.

I conducted my audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that I plan and perform an audit to obtain reasonable assurance as to effectiveness of the Centre's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

In my opinion, based on the limitations noted above, the Centre's control was effective, in all material respects, to meet the objectives stated above as of March 31, 2005 based on the CICA *criteria of control framework*.



Regina, Saskatchewan
June 17, 2005

Fred Wendel, CMA, CA
Provincial Auditor

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have made an examination to determine whether the Centre, complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities during the year ended March 31, 2005:

The Saskatchewan Centre of the Arts Act, 2000
Orders In Council issued pursuant to the above Act
The Financial Administration Act, 1993, Section 46(1)(a)
The Tabling of Financial Documents Act, 1991

My examination was made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the Centre has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year ended March 31, 2005.

Regina, Saskatchewan
June 17, 2005

Fred Wendel, CMA, CA
Provincial Auditor

SASKATCHEWAN CENTRE OF THE ARTS

FINANCIAL STATEMENTS

For the Year Ended March 31, 2005

SASKATCHEWAN

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Centre of the Arts as at March 31, 2005 and the statements of operations and changes in fund balances, and cash flows for the year then ended. The Centre's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
June 17, 2005

SASKATCHEWAN CENTRE OF THE ARTS
STATEMENT OF FINANCIAL POSITION
As at March 31

	2005				2004
	Operating Fund	Campaign Fund	Impresario Fund	Total	Total
ASSETS					
Current:					
Cash and short-term investments	$ -	$ 622,582	$ 71,604	$ 694,186	$ 804,709
Accounts receivable (Note 3)	180,505	-	-	180,505	338,876
Inventory	64,637	-	-	64,637	66,121
	245,142	622,582	71,604	939,328	1,209,706
Property, plant and equipment (Note 4)	73,189	22,473	-	95,662	127,642
Total Assets	$ 318,331	$ 645,055	$ 71,604	$ 1,034,990	$ 1,337,348
LIABILITIES AND NET ASSETS					
Current:					
Due to (from) other funds (Note 10)	$ 255,619	$ -	$(255,619)	$ -	$ -
Accounts payable and accrued charges (Note 3)	317,295	-	-	317,295	764,906
Advance sales and deposits	826,801	-	-	826,801	574,726
	1,399,715	-	(255,619)	1,144,096	1,339,632
Fund balances:					
Invested in property, plant and equipment	73,189	22,473	-	95,662	127,642
Externally restricted (Note 8)	-	562,583	-	562,583	478,583
Internally restricted (Note 9)	-	59,999	327,223	387,222	338,319
Unrestricted	(1,154,573)	-	-	(1,154,573)	(946,828)
Total Fund balances (Statement 2)	$(1,081,384)	$ 645,055	$ 327,223	$ (109,106)	$ (2,284)
Total Liabilities and Fund Balances	$ 318,331	$ 645,055	$ 71,604	$ 1,034,990	$ 1,337,348

(see accompanying notes to the financial statements)

SASKATCHEWAN CENTRE OF THE ARTS
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the Year Ended March 31

	General Funds							Restricted (Note 8)	
	Operating Fund			Impresario Fund		Total		Campaign Fund	
	2005		2004	2005	2004	2005	2004	2005	2004
	Budget (Note 6)	Actual (Schedule 1)	Actual (Schedule 1)						
Revenues:									
Cost of sales	$ 3,130,800	$2,910,434	$3,285,817	$ 73,883	$ 64,172	$ 2,984,317	$ 3,349,989	$ -	$ -
Gross Profit	1,778,613	1,695,045	1,950,153	24,980	-	1,720,025	1,950,153	-	-
	1,352,187	1,215,389	1,335,664	48,903	64,172	1,264,292	1,399,836	-	-
Donations	-	-	-	-	-	-	-	84,000	14,000
Total Revenues	1,352,187	1,215,389	1,335,664	48,903	64,172	1,264,292	1,399,836	84,000	14,000
Expenses:									
Salaries and benefits	1,208,544	1,249,088	1,131,118	-	-	1,249,088	1,131,118	-	-
Utilities	421,500	395,206	383,019	-	-	395,206	383,019	-	-
General and administration	271,700	176,550	260,375	-	-	176,550	260,375	-	100,000
Amortization	80,000	38,793	43,524	-	-	38,793	43,524	20,477	20,478
Total expenses	1,981,744	1,859,637	1,818,036	-	-	1,859,637	1,818,036	20,477	120,478
(Deficiency) excess of revenues over expenses before grant	(629,557)	(644,248)	(482,372)	48,903	64,172	(595,345)	(418,200)	63,523	(106,478)
Grant from the General Revenue Fund	425,000	425,000	425,000	-	-	425,000	425,000	-	-
(Deficiency) excess of revenue over expenses	(204,557)	(219,248)	(57,372)	48,903	64,172	(170,345)	6,800	63,523	(106,478)
Fund balances, beginning of year	(862,136)	(862,136)	(804,764)	278,320	214,148	(583,816)	(590,616)	581,532	688,010
Fund balances, end of year - to Statement 1		$(1,081,384)	$ (862,136)	$327,223	$278,320	$ (754,161)	$ (583,816)	$ 645,055	$ 581,532

(see accompanying notes to the financial statements)

SASKATCHEWAN CENTRE OF THE ARTS
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2005	2004
Cash flows from (used in) operating activities:		
Cash receipts from customers and interest income	$ 3,394,764	$ 3,569,504
Cash paid to suppliers and employees	(3,986,996)	(3,508,217)
Grant received	425,000	425,000
	(167,232)	486,287
Cash flows (used in) investing activities		
Purchase of property, plant and equipment	(27,291)	(77,920)
Cash flows from financing activities:		
Donations	84,000	14,000
Net increase (decrease) in cash	(110,523)	422,367
Cash, beginning of year	804,709	382,342
Cash, end of year	$ 694,186	$ 804,709

(See accompanying notes to the financial statements)

SASKATCHEWAN CENTRE OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2005

1. Status of Centre

The Board of the Saskatchewan Centre of the Arts is continued under *The Saskatchewan Centre of the Arts Act, 2000*, to maintain, operate and manage the Saskatchewan Centre of the Arts in Regina. The Act also continued the Saskatchewan Centre of the Arts Fund through which all financial transactions are conducted which relate to accomplishing the purposes of the Act.

The ongoing operations of the Saskatchewan Centre of the Arts are dependent on funding from the General Revenue Fund.

2. Significant Accounting Policies

These financial statements have been prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The Saskatchewan Centre of the Arts follows the restricted fund method of accounting for contributions. The Saskatchewan Centre of the Arts (Centre) is comprised of three funds: Operating Fund, Impresario Fund, and Campaign Fund. The Operating Fund and Impresario Fund, known as General Funds, do not have external restrictions while the Campaign Fund is subject to external restrictions.

The Operating Fund accounts for the Centre's primary operating activities. This Fund reports unrestricted resources and holds property, plant and equipment (see Note 4).

The Impresario Fund has no external restrictions and is used for supporting and promoting the arts. The Board requires management to seek specific approval of the Board to spend the assets of the Impresario Fund.

The Campaign Fund reports assets (see Note 4), liabilities, revenues and expenses related to the Centre's campaign to raise funds to address replacement of its programming equipment and the rejuvenation of the overall appearance of the Centre. The Campaign Fund reports resources contributed and the use of those resources.

The following accounting policies are considered to be significant:

a) Revenue Recognition

For the General Funds, revenue is recognized at the date of the performance and is recorded net of payments to promoters.

Donations externally restricted to the Campaign Fund are recorded as revenue when collection is certain.

b) Grant from the General Revenue Fund

The grant provided by the General Revenue Fund through the Department of Culture, Youth and Recreation is recorded in the year received or receivable.

c) Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is provided for using the straight-line method over the expected useful life (ranges from 3 to 5 years) of the property, plant and equipment, with a full year's amortization taken in the year of acquisition. The Centre capitalizes property, plant and equipment costing more than $5,000.

Amortization is recorded in the fund where the related property, plant and equipment reside.

d) Inventory

Inventory is valued at the lower of cost and net realizable value.

e) Short-term Investments

Short-term investments are carried at cost, which approximates market value.

3. Financial Instruments

The Centre's financial instruments include short-term investments, accounts receivable, accounts payable, and accrued charges. The fair value of these instruments approximate their carrying value due to their immediate or short-term nature.

The Centre did not have any short-term investments at year-end. In 2004, the Centre had short-term investments totalling $499,123 consisting of term deposits that matured on April 16 and April 30, 2004 with effective interest rates of 2.20% and 2.23%.

The Centre is exposed to credit risk from potential non-payment of accounts receivable. However, a significant amount of the receivables were received shortly after year-end reducing the credit risk.

4. Property, Plant and Equipment

a) Operating Fund

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Theatre equipment	$ 399,335	$ 385,775	$ 13,560	$ 20,338
Convention & catering equipment	151,331	140,038	11,293	5,426
Office equipment	253,325	233,921	19,404	29,051
Building equipment	732,013	715,104	16,909	14,473
Bar equipment	89,767	77,744	12,023	15,404
	$ 1,625,771	$ 1,552,582	$ 73,189	$ 84,692

b) Campaign Fund

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Theatre equipment	$ 174,443	$ 151,970	$ 22,473	$ 42,950
Convention & catering equipment	7,834	7,834	---	---
Building equipment	4,219	4,219	---	---
	$ 186,496	$ 164,023	$ 22,473	$ 42,950

5. Building and Site

The building and site have been leased by the Saskatchewan Property Management Corporation (SPMC) to the Centre for an annual rental of one dollar. The fair value of the building and site is not reasonably determinable. The terms of the lease requires the Centre to keep the building, and all other property contained therein, in good repair and condition with the provision that any major maintenance, renovations and construction project costing in excess of $5,000 shall be the responsibility of SPMC. In addition, SPMC is responsible for charges by the Wascana Centre for services to the land and building as stipulated under *The Wascana Centre Act*. The current lease agreement expired July 31, 2003. The Centre is in the process of renegotiating a new lease arrangement. Until a new lease arrangement exists, the terms and conditions of the expired lease continue.

6. Budget

These amounts represent the budget approved by the Centre's Board of Directors.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Centre by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Also, the Centre is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at the agreed upon rates and are settled on normal trade terms. The following table summarizes the significant routine related party transactions for the year.

	2005	2004
Accounts receivable	$ 41,095	$ 91,547
Accounts payable & accrued charges	59,910	265,348
Revenues:	462,580	312,357
Expenses:		
Utilities	430,434	444,848
Supplies, services and maintenance	9,650	8,984
Salaries and benefits	172,749	180,786
General and administration	--	200,000

Other transactions and amounts due to and from related parties are described separately in the financial statements and the notes thereto.

The Centre collected and remitted Liquor Consumption Tax of $36,850 (2004 - $33,342) to the Saskatchewan Department of Finance. In addition, the Centre pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

8. External Restrictions

In 1996, the Centre launched the Campaign Fund to raise funds to begin to address replacement of its property, plant and equipment including programming equipment and rejuvenation of the overall appearance of the Centre. The Centre has raised an accumulative total of $849,080 (2004 - $765,080) from external sources for the Campaign Fund and has used an accumulative total of $286,497. Included in this amount is $186,497 (2004 - $186,497) to purchase property, plant and equipment and $100,000 (2004- $100,000) to settle a dispute with SPMC for repayment of repairs and maintenance to the building. The balance, $562,583 (2004 - $478,583), remains externally restricted to acquire property, plant and equipment and to rejuvenate the overall appearance of the Centre.

Under section 24(7) of *The Saskatchewan Centre of the Arts Act, 2000*, the Board is not bound by the directions of any person making a contribution to a restricted fund but the Board shall consider the directions of the person who makes such a contribution. The Board has agreed to honour the restrictions placed by donors.

9. Internally Restricted Funds

In 1997/98, the Board of Directors restricted the use of $59,999 of the net assets available in the Impresario Fund for capital purposes and transferred that amount to the Campaign Fund. Also the Board has restricted the use of $327,223 (2004 - $278,320) of the net assets available in the Impresario Fund. Accordingly, these net assets are not available for Operating Fund purposes without the approval of the Board.

10. Due to (from) Other Funds

The Centre used net assets of the Campaign Fund and the Impresario Fund to finance activities in the Operating Fund. At March 31, 2005 the Operating Fund owed a total of $255,619 (2004 - $112,193) to the other funds - $0 to the Campaign Fund and $255,619 to the Impresario Fund. The Operating Fund does not pay interest on these amounts and no formal arrangements, including repayment terms, are in place for these loans.

11. Comparative Information

Certain comparative figures have been reclassified to conform with the current year's presentation.

SASKATCHEWAN CENTRE OF THE ARTS

Schedule 1

SCHEDULE OF REVENUES AND COST OF SALES FOR THE OPERATING FUND

For the Year Ended March 31

	2005		2004
	Budget (Note 6)	Actual	Actual
Revenues:			
Catering	$ 1,184,800	$ 1,202,367	$ 1,319,574
Service charges	767,000	588,235	788,465
Rentals	497,000	466,383	527,183
Refreshment bar	409,000	394,215	378,434
Commissions	151,000	140,694	159,293
Office rental	53,500	53,426	53,426
Sundry	28,000	23,710	14,278
Coat check	20,000	22,331	25,392
Car park	12,000	12,771	13,301
Investment income	8,500	6,302	6,471
Total revenues	3,130,800	2,910,434	3,285,817
Cost of sales:			
Salaries & benefits	869,988	820,924	907,086
Food & beverages	528,250	529,558	516,414
Supplies, services, and maintenance	286,975	240,954	363,482
Other	93,400	103,609	163,171
Total cost of sales	1,778,613	1,695,045	1,950,153
Gross profit	$ 1,352,187	$ 1,215,389	$ 1,335,664